



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF THE PETITION OF)
LOOKING GLASS NETWORKS, INC. AND)
LIGHTWAVE COMMUNICATIONS, LLC)
FOR APPROVAL TO TRANSFER ASSETS)

TELECOMMUNICATIONS
ORDER OF APPROVAL

DOCKET NO. TM02110857

(SERVICE LIST ATTACHED)

BY THE BOARD:

On November 8, 2002, Looking Glass Networks, Inc. (Looking Glass) and LightWave Communications, LLC (LightWave and, together with Looking Glass, the Petitioners), petitioned the Board of Public Utilities (Board), pursuant to N.J.S.A. 48:3-7, for approval of the transfer and sale of LightWave's assets to Looking Glass. Petitioner respectfully requests approval be granted nunc pro tunc.

BACKGROUND

LightWave is a Delaware limited liability company with principal offices located at 14504 Greenview Drive, Suite 302, Laurel, Maryland Connecticut. LightWave is a wholly owned subsidiary of LightWave Communications, Inc. (LWC) a privately held Delaware corporation with its principle offices located at the same address. According to the petition, LightWave is a facilities-based provider of metro optical access services, offering interconnection between major carrier hotels, data centers and Verizon central offices within the Washington, D.C. to New York City corridor. LightWave is authorized to provide facilities-based local exchange and interexchange telecommunications services in the State of New Jersey. See Order I/M/O the Petition of LightWave Communications, LLC, to Provide Local Exchange and Interexchange Telecommunications Services Throughout New Jersey, Docket No. TE00110853, dated June 28, 2001.

Looking Glass is a privately held Delaware corporation with its principal offices located at 1111 West 22nd Street, Suite 600, Chicago Illinois. Looking Glass is a wholly owned subsidiary of Looking Glass Networks Holding Co., which, in turn is a wholly owned subsidiary of Looking Glass Networks, LLC a privately held limited liability company whose principal line of business is data transport services over its own facilities. In New Jersey Looking Glass is authorized to provide local and interexchange telecommunications service. See Order I/M/O the Petition of Looking Glass Networks, Inc. for Authorization to Provide Local and Interexchange Telecommunications Services within the State of New Jersey, Docket No. TE00050288, dated April 12, 2001. According to the petition, Looking Glass builds, owns and operates metropolitan fiber optic networks providing data transport services to primary carrier hotels, ILEC central offices and other major data aggregation facilities located in the largest U.S. metro areas, including New York/Northern New Jersey. In New

Jersey, Looking Glass provides data services to approximately 12 customers.

Pursuant to a purchase agreement between Looking Glass and LightWave's parent, LWC, Looking Glass will purchase all of the telecommunications assets of LWC, including those held by LightWave in New Jersey and LightWave's wholesale customer accounts and contracts. According to the petition, Looking Glass has determined that the acquisition of LWC's assets will enable Looking Glass to significantly expand its operations in a cost-efficient manner, thereby enhancing its competitive position and ability to provide high-speed data transport services for carrier and enterprise customers in New Jersey and other states. The customer-base to be acquired by Looking Glass in New Jersey consists of 4 private line customers. Looking Glass states that it will amend its New Jersey tariff, if necessary, to include the rates and charges currently in effect in LightWave's New Jersey tariff currently on file with the Board. As a result, Petitioners state that the proposed transfer of assets and customers will be virtually transparent to LightWave's New Jersey customers. To ensure a seamless transaction, LightWave will give written notice to its carrier customers pursuant to applicable notice obligations under its contracts with those customers. Following the transaction, LightWave will retain its authorization in New Jersey. Petitioners have indicated that neither company has any employees in New Jersey. By letter dated January 16, 2003, the Ratepayer Advocate recommended Board approval of the transaction.

Petitioners have indicated that approval for this transaction has been received from New York, Pennsylvania and Virginia, as well as the Federal Communications Commission. No states have denied the transaction.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board is convinced that, with regard to the provision of service, there will be no negative impact on service to New Jersey customers. All services will continue to be provided to the Petitioners' New Jersey customers without interruption and pursuant to the same tariffs, contracts, rates, terms and conditions in existence prior to the transaction.

Accordingly, after careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transfer is in accordance with law and in the public interest. The Board HEREBY APPROVES the request by Petitioners for this transaction nunc pro tunc.

DATED: 5/20/03

BOARD OF PUBLIC UTILITIES
BY:

(signed)
JEANNE M. FOX
PRESIDENT

(signed)
FREDERICK F. BUTLER
COMMISSIONER

(signed)
CAROL J. MURPHY
COMMISSIONER

(signed)
CONNIE O. HUGHES
COMMISSIONER

(signed)
JACK ALTER
COMMISSIONER

ATTEST:

(signed)
KRISTI IZZO
SECRETARY